The Massachusetts Port Authority was created to accomplish with efficiency, expediency and economy the development and operation of certain vital commercial transportation centers in the Commonwealth of Massachusetts. ☐ It is generally recognized that these objectives have been and are being attained and it may be anticipated that Massport will continue its efforts to achieve even greater benefits for the citizens and businesses of the region in its role as a prime Catalyst for New England commerce.

A Partnership in Progress

In 1956 when the legislature voted to establish the Massachusetts Port Authority, they, in effect, created a partnership between all of the people of the Commonwealth and an agency which was created and structured to operate the State's major air/sea commercial transportation centers on an efficient, self-sustaining basis, unencumbered by bureaucratic procedure and free from the pressures of private, self-interest or political groups.

The elements they voted for in creating Massport reflected also the desired changes in the form of management and financing that previously had been employed in the operation of Logan International Airport and the Port of Boston.

The legislature and, therefore, the people of this State, wanted these vital commercial conduits operated as assets, not liabilities.

After the activation of the MPA, all operations and development monies for Logan and the Port facilities (and Hanscom Field in Bedford and the Mystic River Bridge which were included as a part of the MPA organization) would be derived from the sale of revenue bonds, user income and return on investments.

There would be no state tax money or credit used to operate the MPA or to pay for its development projects, which to date amounts to nearly $350 million.

The Enabling Act, creating the MPA, called for the gubernatorial appointment of a seven member, unpaid, policy making board to oversee the activities of the MPA.

This board, with members serving seven-year staggered terms, came as close as was practically possible to meeting the requirement for an apolitical governing body which allowed decisions regarding MPA activity to be made with considerable immunity from external self-serving influences – political or private.

In the 13 years that have elapsed since the Authority was activated in 1959, the people of the Commonwealth have received exactly what they asked their State legislators to provide, i.e., one of the world's most modern commercial airports that is having an ever increasing positive impact on the regional economy; a seaport that has been transformed from a condition of near total obscurity into one of the United States' most progressive and economically viable maritime facilities; an agency and instrument that has aggressively, and to a large degree, successfully, sought to stabilize and improve deteriorating port labor-management dissension of long-standing. It has supported petitions for and received badly needed new direct domestic and international air passenger/cargo services with over 100 cities in North America and with numerous points in Europe, the Middle East, the Far East, the Caribbean, Asia and the South Pacific; consolidated and otherwise modernized management functions of the Port facilities; promoted and participated in the sponsorship of Federal and State legislation to reduce aircraft noise; initiated actions to equalize freight tariffs to improve the competitive position of the Port of Boston; sought relief from unfair practices employed by shipping companies to the detriment of New England industry.

But port and airport building and systems development have not been its only spheres of interest.

Massport has been an active participant in more than 75 social, educational, medical and recreational endeavors, particularly in the communities surrounding Logan Airport since its actuation in 1959.

A girls ice hockey team . . . a drug treatment and rehabilitation program . . . the "Y" . . . Little League baseball . . . scholarships . . . high school football . . . essay contests . . . are but a few of the local as well as statewide transportation and commercial activities of which Massport is proud to be a contributor and partner.

(below) Massport sponsors many recreational and other civic programs in communities adjacent to Logan Airport. Among them is the all-girl Massport ice hockey team in East Boston.

(left) Development projects by Massport not only provide superior transportation facilities but thousands of jobs and millions of dollars in salaries and purchases for goods and services.

Massport Members

(Left)
John Larkin Thompson, Chairman
President and Treasurer, Massachusetts Blue Shield, Inc.
Reappointed Member, July 5, 1972

Dr. James Alan Fay
Professor Mechanical Engineering, Massachusetts Institute of Technology Appointed Chairman, July 5, 1972

Edward C. Maher, Vice Chairman
Voted Vice Chairman, July 20, 1972

(Left)
Anthony P. DeFalco, Member
Special Assistant to the United States Secretary of Transportation

Frank L. Harrington, Jr., Member
Business Consultant

(Left)
William Francis Lyden, Member
Vice President and Organizer, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America Union Local No. 25
Appointed, February 17, 1972

Rev. Albert J. Sallese, Member
Curate, Church of the Holy Redeemer, East Boston
Reappointed, July 5, 1972

(Left)
Thomas G. Brown, Jr., Member
Vice President, State Street Bank & Trust Company
Replaced, July 5, 1972

Nicholas P. Morrissey, Vice Chairman
New England Representative, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America
Replaced, February 17, 1972

Executive Staff

Edward J. King, Executive Director
Edward T. Hanley, Secretary-Treasurer

Former Members

Ephraim A. Brest
June 28, 1956 – July 12, 1966

Philip H. Theopold
June 28, 1956 – August 20, 1963

O. Kelley Anderson
June 28, 1956 – August 6, 1964

Carl J. Gilbert
June 28, 1956 – May 1, 1963

William B. Carolan (Deceased)
June 28, 1956 – March 9, 1961

John S. Pfeil
June 28, 1956 – June 30, 1960

Hirsch M. Swig (Deceased)
January 4, 1961 – October 9, 1963

Laurence O. Albre, Jr.
January 25, 1962 – June 30, 1968

Charles A. Connors, Jr.
June 6, 1963 – June 30, 1969

Howard W. Fitzpatrick (Deceased)
August 6, 1964 – February 20, 1970

Thomas G. Brown, Jr.
December 16, 1963 – July 5, 1972

Nicholas P. Morrissey
June 28, 1956 – February 16, 1972

Off Shore Oil Terminal

Massport's statutory obligations to investigate and possibly develop systems and maritime facilities to benefit Bay State citizens and businesses has led to the development of studies and investigations into actions which may help to stabilize or reduce the critically high costs and frequent shortages of petroleum products in this area and to improve the environmental qualities of Boston Harbor.

The subsequent findings and recommendations of this two volume, preliminary study indicate that these and other desirable objectives might be achieved with the construction of a contemporary off-shore oil terminal / pipeline/tank farm delivery system – all without the disruption or dislocation of homes or civic facilities or cost to the Massachusetts taxpayer.

The cost, estimated at $34 million, would include construction of an off-shore island pier in water depths of approximately 65 to 75 feet; a four-foot diameter pipeline buried up to 12 feet under the ocean floor leading to the shoreline and then underground piping via existing rail and other rights-of-way to a tank farm which would be used as a temporary

Off Shore Oil System as proposed to and under consideration by Massport

Tank farm to accommodate petroleum products delivered by ships at island pier (products would be distributed from tank farm to existing storage facilities through pipelines under existing rights of way)

Four foot diameter sub surface pipeline

storage and distribution facility.

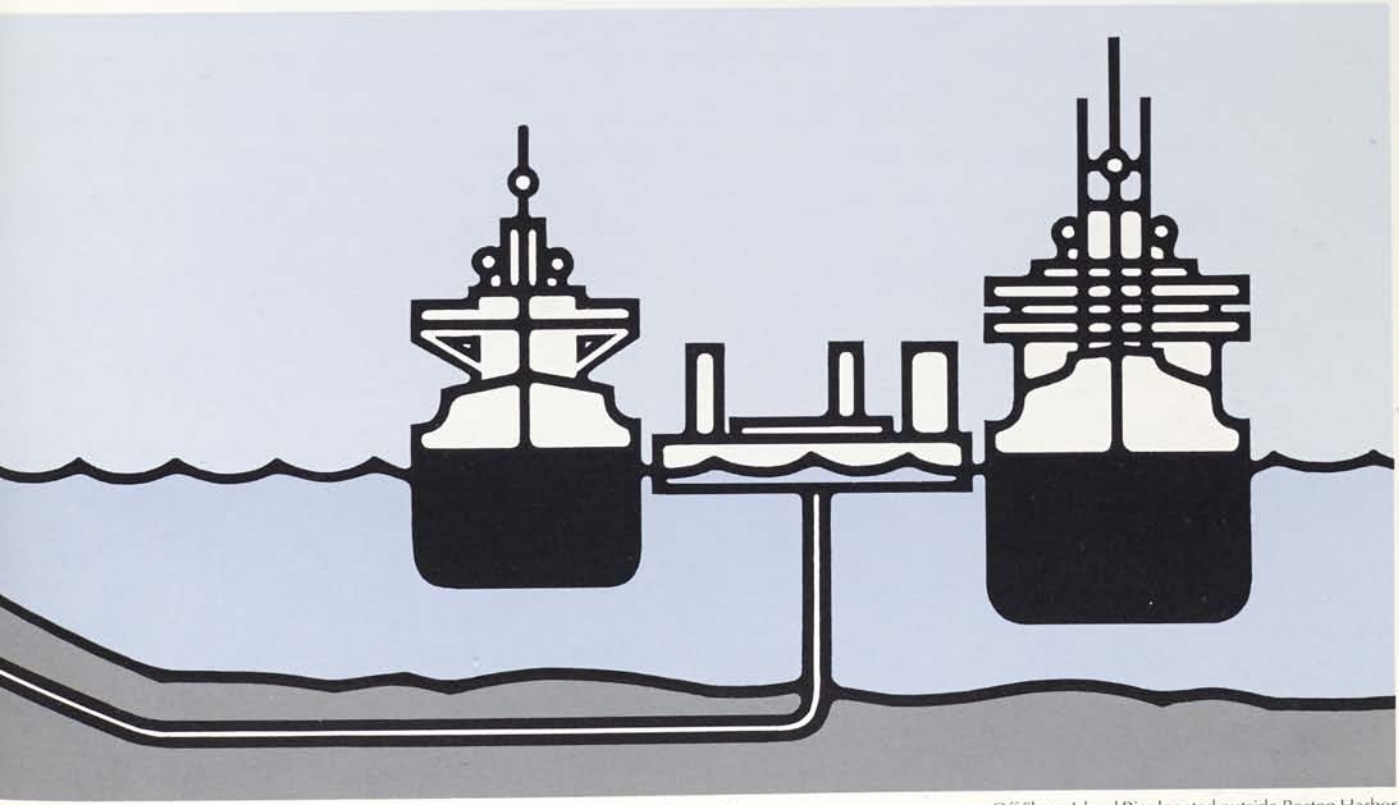
Such a system, says the study, has a variety of primary and secondary potential benefits which could achieve the desired objectives.

The off-shore island terminal would permit deeper draft, much larger capacity vessels to deliver products in Boston than is now possible.

The larger capacity ships would result in lower petroleum product transportation costs and would also cause progressively fewer tanker deliveries to the 24 present antiquated terminal locations inside Boston Harbor. This would lead to a sharp reduction in incidental petroleum spills into harbor waters and a large cumulative reduction in overall Harbor pollution.

It would also allow highly sophisticated and effective oil spill equipment to be concentrated at one location – the island pier.

Upon reviewing the proposal, the Members voted to proceed – with the assistance of consultants – with more detailed examination of the proposal and consideration of alternatives.



Four foot diameter pipeline buried up to 12 feet under the ocean floor

Off Shore Island Pier located outside Boston Harbor

New International Terminal/Logan

One need only visit Logan International Airport between noon and 6 PM on nearly any day throughout the year to understand the urgent necessity for the construction of the new $22.5 million international terminal at the northern end of the airport.

By all creditable indices the demand for additional international service at Logan will continue to grow for many years to come.

When completed in early 1974, the terminal will accommodate eight jumbo jet aircraft or 13 conventional-size four engine jets or combinations of both.

One ground level roadway will serve the three story poured concrete and steel structure, with elevators and escalators carrying passengers between the three levels inside the building. A multi-level roadway was considered unnecessary to meet passenger demands because of the two, well-defined, well-separated peaks of international arrivals and departures.

New South Terminal/Logan

The clean, contemporary and simplistic appearance of the new south terminal drawings hardly reflects the complex design requirements for a highly economical and efficient structure to meet a wide variety of needs for the short, medium and long haul passengers.

The linear terminal will actually be two, two-level terminal units bisected by a five-level 2,700 car, conveniently located parking garage. An integral three-level roadway is designed to avoid automobile/taxi/bus/limousine traffic congestion and to reduce passenger walking distances from ground transportation to the aircraft, to a minimum.

The upper terminal level will be used for ticketing and aircraft departures; and the lower (ground) level will be reserved for baggage claim and other services for the arriving passenger.

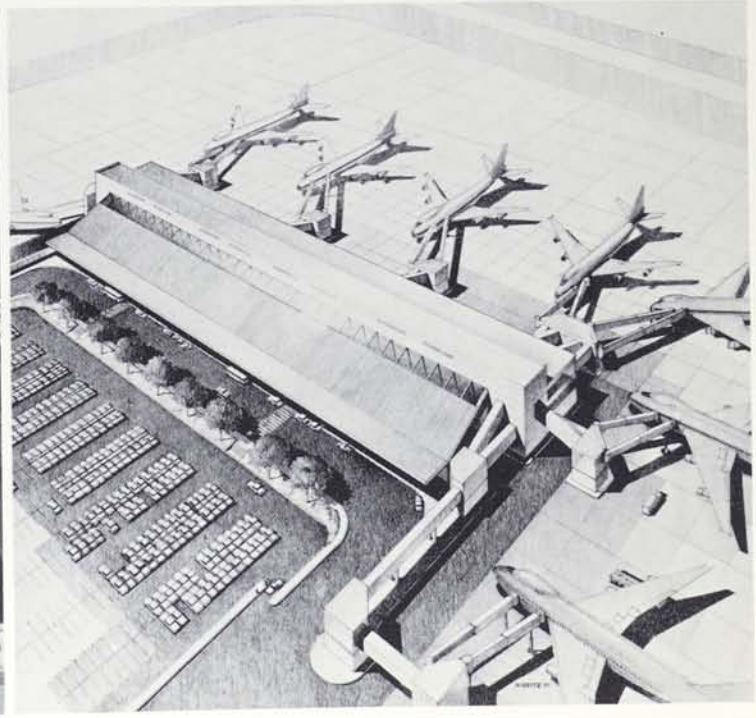
The terminal will be occupied by Allegheny, American, National, Northwest and Executive Airlines.

It is anticipated that the one quarter mile-long structure alone will cost approximately $47 million and be completed by 1976.

(top) Architect's drawing of South Terminal-Logan Airport.

(bottom left) International air passenger totals continue sharp rise at Boston.

(bottom right) Architect's drawing of International Terminal-Logan Airport.



Aviation Division

World's highest control tower (due for completion in early 1973) will be the nerve center of all Logan air/ground operations.

Logan International Airport may be the eighth busiest commercial airport in the world but it is the FIRST airport in the United States to be certified by the Federal Aviation Administration (FAA) for having met or exceeded an almost infinite number of prescribed airport safety standards.

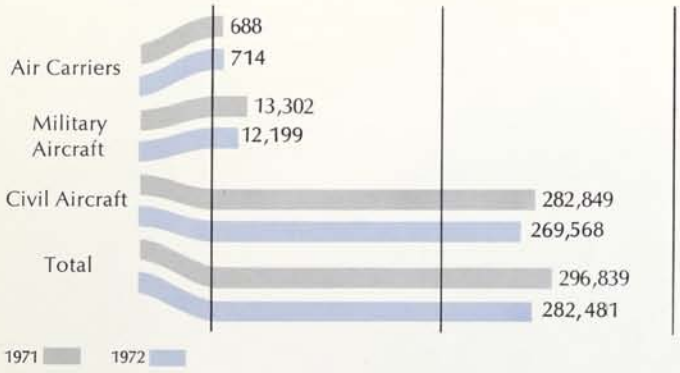
At the presentation of the certificate to the Massachusetts Port Authority which has operated Logan since 1959, the FAA commended Massport for "its demonstrated interest in airport safety . . ."

The principal elements of Logan Airport operations examined by the FAA included maintenance, marking and lighting of operations areas, maintenance and availability of fire fighting and rescue equipment, the establishment of emergency plans and the development of plans and procedures for periodic self-inspection, control of ground vehicles and reporting airport conditions to its users.

Logan was also the first airport in the nation to receive an Airport Development Aid Program allocation of funds for the purchase of a new fire/crash truck.

Massport's continuing, high priority concern for the safety of airline passengers was further demon-

Aircraft Operations / Hanscom Field, Bedford



strated when the new 78 foot fire/rescue boat was placed in operation in June this year. The $510,000 craft, named the Howard W. Fitzpatrick in memory of the late Sheriff of Middlesex County and a six year member of the Port Authority, is manned by a crew of four, twenty-four hours a day, and is available not only for use in Boston Harbor but also by waterfront communities both north and south of Boston, at no cost to these communities.

With a draft of only five feet, the 20 foot wide boat will be able to participate in rescue operations involving aircraft and other emergency rescue activities occurring in the shallow parts of the Harbor.

As the fiscal year drew to a close, the world's tallest control tower, distinguishable from other control towers not only by its height but by its twin cylindrical supporting booms, neared completion. The $5.3 million structure constitutes yet another major step in the development of superior safety features at Logan. The new tower is located directly behind the existing control tower, east of the central parking garage. The 22-story, 285-foot building will be capped by an 11-sided control cab, allowing a full view of all air operations areas by FAA controllers. Following completion of the tower in early 1973, the existing tower will continue to be used for airport administrative functions.

While engaged in a wide variety of safety, construction and other projects at Logan, Massport continues to have, as one of its highest priorities, the pursuit of all possible solutions that may lead to a reduction of aircraft noise and/or the impact of aircraft noise on communities surrounding Logan. This endeavor and its priority of consideration is not new to Massport.

Beginning in 1960, just one year after Massport took over operation of Logan, it has been carrying on aggressive action programs designed to bring about the desired relief in three basic areas, ie: cooperation with the communities; within safety limits and with full cooperation of the FAA, the rearrangement of some aircraft take-off and landing procedures; and active support and promotion of legislation which would create real and lasting relief from aircraft noise.

Massport has always believed that while certain remedies can be accomplished through changes in local operating procedures, lasting relief will only be achieved through reduction of noise at the source – the aircraft engine. To this end, Massport actively supported, through a newspaper and direct mail campaign, two almost identical bills in the U.S. Senate and the U.S. House of Representatives. They provided for the modification or early retirement of existing jet aircraft (and very importantly for the funding of the program) in order to reduce noise to the lowest practical levels attainable with existing technology. Funds to carry out this noise abatement program would come not from the general public but from the airlines and the people who use them through slight increases in excise taxes on domestic and outgoing international flights, air cargo and the registration of jet aircraft.

While the bills did not pass in Congress due to their complexity and relatively long period necessary to resolve details, there are very positive indications that the Federal government may include many of the important elements of these unique bills in the formation of national aircraft noise policies within the next year.

Massport's interest in the environmental impact of an airport on the region in which it is located is not restricted to efforts to reduce aircraft noise. MPA staff members have assumed active leadership roles in a wide variety of environmental organizations and endeavors, including the establishment of the Environment Planning Committee of the Airport Operators Council Inter-

(top) The Logan Fire Department conducts periodic special training programs for fire department personnel for Greater Boston communities. Logan fire equipment is also available for emergency use by these communities.

(bottom) West German Chancellor Willy Brandt was among the 1.2 million international passengers using Logan this year.

national; participation in the United Nations Conference on the Human Environment held in Stockholm. These associations and other efforts are a tangible reflection of Massport's desire to ensure environmental protection in the development of the nations critical aviation needs.

Fiscal 1972 was again a year of records for Logan International Airport. In addition to a long list of political and international dignitaries who have "discovered" Logan, international passengers increased approximately 25% over the previous year, and domestic passenger traffic reached an all-time record of nine million. International and domestic air cargo and air mail also hit record levels. These increases reflect not only a growing awareness of Logan's advantages to foreign travelers and people from other parts of the United States, but more important, it is a clear indication that air service demands by New England people and businesses and their dependency on air services are increasing, not diminishing.

Despite Massport's repeated declarations that it has no intention to develop Hanscom Field in Bedford into anything more than a first rate general aviation facility, there is concern by the communities in the vicinity of Hanscom that the field may eventually assume the character of a major commercial facility.

Now, as in the past, all MPA development plans at Hanscom continue to be geared to the up-grading of facilities and services to be used by general aviation and business type aircraft. Thirty-six "T" hangars for small aircraft were completed this year, apron areas were strengthened, a parking and picnic area adjacent to and overlooking the field is under construction, more parking and tie-down space has been provided for small planes, security lighting has been improved and several terminal improvements have been made.


HITACHI

Port of Boston (Calendar Years)

FOREIGN (in thousands of short tons)	1971	1970	1969
Imports	7,141	9,014	9,187
Exports	638	816	682
Total Foreign Trade	7,780	9,829	9,869
DOMESTIC			
Receipts	14,752	13,196	11,526
Shipments	1,822	2,006	1,985
Total Coastwise Trade	16,574	15,203	13,511
Internal Receipts	16	16	23
Local	1,786	1,820	1,415
Total Domestic Trade	18,377	17,039	14,950
Total Port Trade	26,157	26,868	24,819

There is little doubt that Boston is quickly regaining its position of prominence among the world's important deep water ports, thanks to Massport and its successful efforts to introduce and develop the concept of containerization in what was nearly an irretrievably decayed and inert port 13 years ago.

Today, three high speed container cranes with a combined ability to handle up to 90 containers per hour stand as tangible evidence of burgeoning commercial vitality in the Port of Boston.

Two of these cranes are located at the John F. Moran Docks more commonly known as Massport's Boston-Mystic Public Container Terminal. A 70 ton capacity Hitachi high speed, multi purpose dockside gantry crane – the largest of its kind in the world – and a 45 ton capacity Paceco all-container crane were both placed in service within the last eight months at the 41 acre site near the Tobin Memorial Bridge.

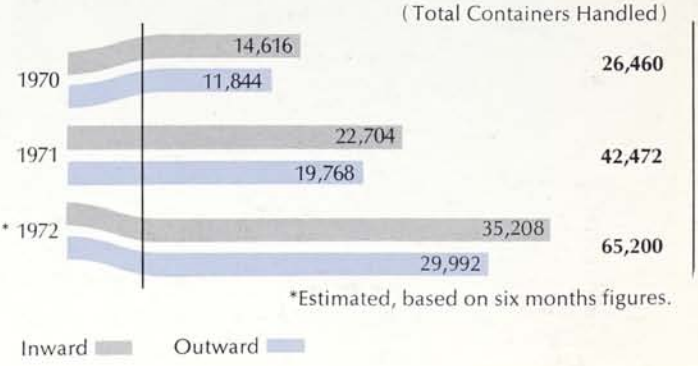
The urgent need for such a facility, its acceptance by importers and shippers and justification of Massport's $25 million investment in this contemporary maritime cargo handling operation can all be proven by the simple fact that the container terminal is already operating at nearly 75 percent capacity.

The third container crane, located at Massport's Castle Island and operated by Sea-Land Corp., provides New England industry access to many world ports. Its frequent service to and from Puerto Rico is of particular importance to both that island and the Massachusetts industrial community.

Just three years ago, the Port shipped or received 2,135 containers while a total of 65,200 are expected to be handled during the 1972 calendar year.

Supported by this immediate and almost overwhelming response to its containerization development efforts, Massport is proceeding with studies to further extend and improve the Port of Boston container handling capacity and efficiency.

Containers Handled, (Calendar Years)
are expressed in twenty foot equivalents



Massport has also been making substantial productive efforts to realize the maximum potential of its other maritime facilities. What was once wasteland in the vicinity of East Boston and Commonwealth Piers has been restored to productive use as temporary storage areas for the large influx in the importation of foreign cars into Boston. This, in turn, has attracted the eye of New England automobile importers who are suffering from congestion in other U.S. North Atlantic ports, and long and expensive over-the-road deliveries to the New England region.

Commonwealth Pier, Boston's only major passenger ship facility, is appearing with increasing frequency on the logs of foreign passenger vessels. It is anticipated that by the end of December, 1972, nearly 33,000 ship passengers will have used Commonwealth Pier – up dramatically from just over 4000 passengers only five years ago.

Commonwealth Pier will serve another, and most unique function beginning in January, 1973. Space has been leased to a private company for the purpose of conducting trade shows and exhibitions. The proximity of Commonwealth to downtown Boston plus the availability of adequate parking space indicate that the venture has good chances of success.

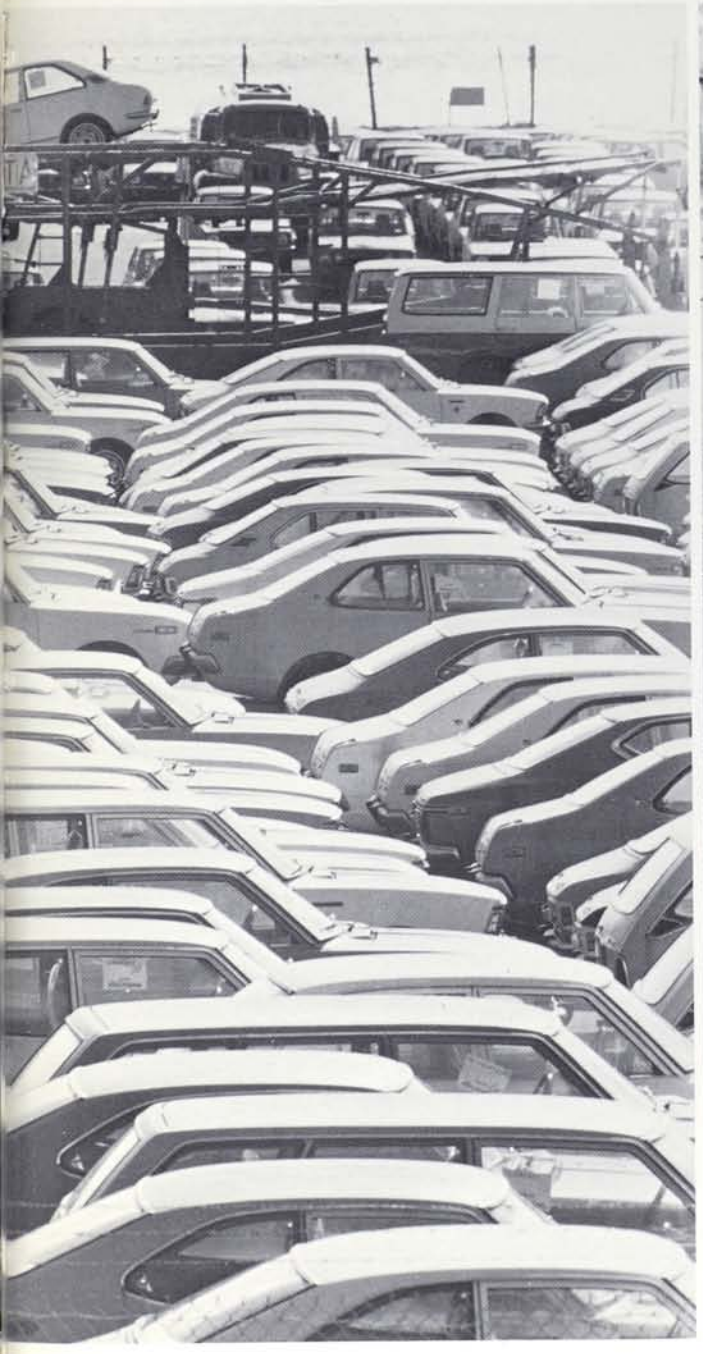
Perhaps the most significant factor in port activity this year outside the Mystic Container Terminal, promising the most substantial improvements in maritime commerce in Boston, is the consolidation of the management function, under the MPA at Castle Island. One of the factors leading to the decline of the port in former years was the absence of coordinated management practices at individual facilities which worked to the detriment of the port as a whole.

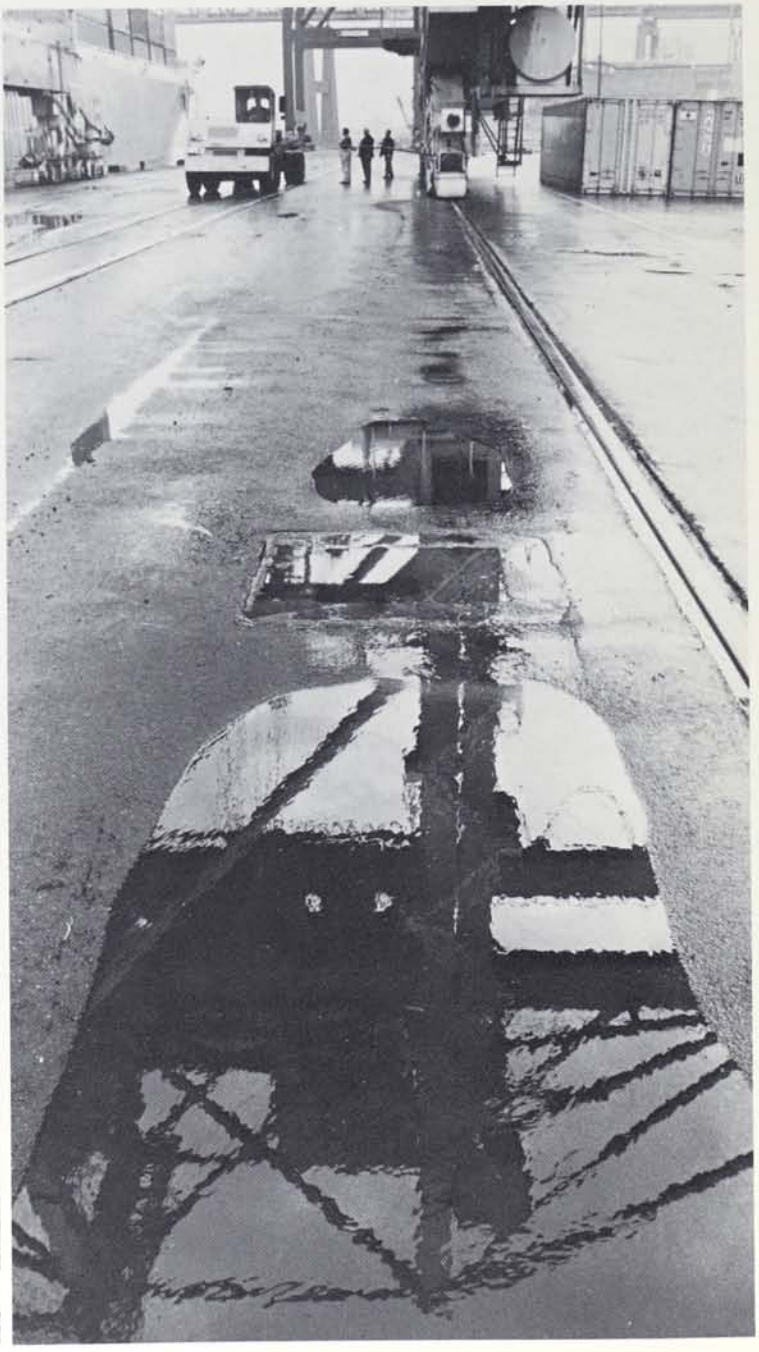
The consolidation does not mean a diminution or discouragement of individual enterprise and initiative by private companies doing business at the piers, but rather it is intended to standardize costs and practices to effect more efficient, reliable and economical services being offered to steamship lines.

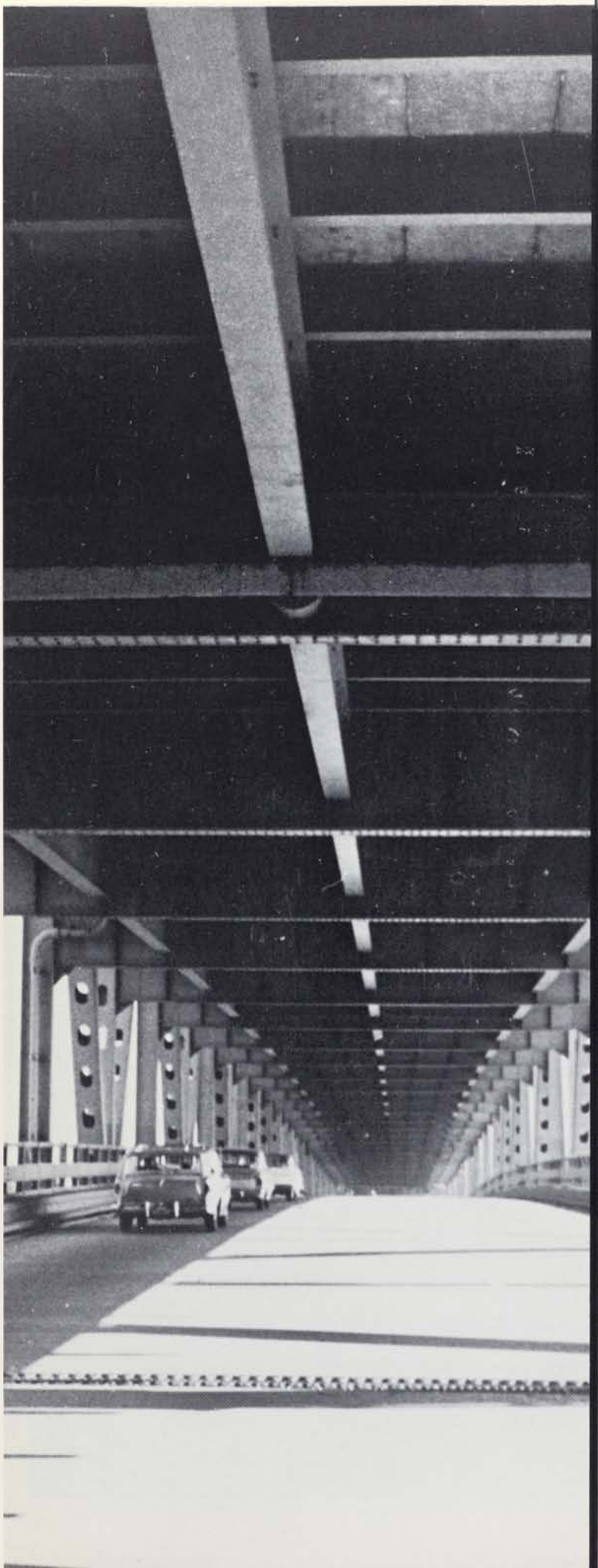
(left) Special handling equipment purchased by Massport for use at the Boston-Mystic container terminal ensures fast efficient delivery of containers.

(center) Massport has developed backland areas at East Boston and Commonwealth piers and at Castle Island to attract more foreign car shipments to the Port of Boston.

(right) At the Boston/Mystic public container terminal, 20 and 40 foot containers move on and off modern containerships at a rate of up to 60 per hour with the new Hitachi and Paceco container cranes.







Bridge Division

Boston's major highway link with the North Shore, northern New England and the Canadian maritime provinces, the Tobin Memorial Bridge (formerly the Mystic River Bridge) is currently receiving a complete rebuilding of its roadway surface.

This is the first major roadway reconstruction in the 22 year life of the 10,000 foot, two level, six lane span.

The reconstruction consists of the complete removal of existing concrete slab, full depth, construction of expansion joints, reconditioning of existing expansion joints, reconditioning of drainage system, installation of steel grid into which concrete is poured and the laying of a bituminous concrete surface.

Although serviceable for two decades, the old roadway was built without steel grid, a feature which, it is anticipated, will give the new roadway a life of up to 50 years, thereby requiring fewer interim road repairs.

The initial phase of the complete reconstruction project on the upper (Boston bound) level was finished in 1970.

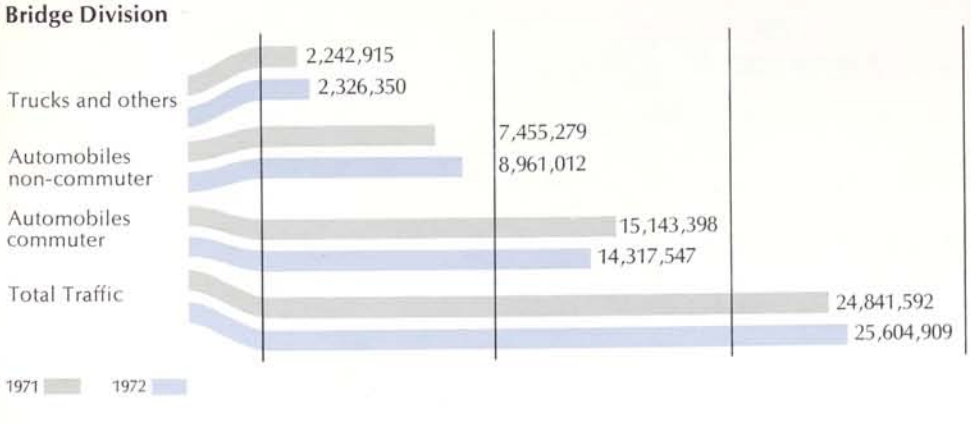
Completion of the remainder of reconstruction on this level, including the main roadway north of the toll plaza, the toll plaza itself and ramps will be accomplished during the 1973 construction season.

The total cost of all roadway work on the upper level will be approximately $9.6 million.

Because of greater protection from wind, ice, snow and sun, the lower level is generally in better condition. However, it too will undergo a similar complete reconstruction following completion of upper roadway work, at a cost of about $12 million.

The Tobin Bridge is an integral part of the nationwide interstate highway system as an official part of the major north-south east coast route I-95 which extends from northern Maine to Florida. With the eventual completion of the critical portion of I-95 between Danvers and Saugus the Tobin Bridge will have reached its full potential.

Bridge Division



Status of Special Projects

High Speed Monorail – Will people travel on a high speed monorail service between the densely populated cities of Boston, Worcester and Springfield? That's what Massport intends to find out later this year upon completion of a $45,000 consultants' study. The study is designed specifically to determine:

1) the volume and modes of existing travel
2) the number of people that could be expected to change from the traditional car-bus-rail modes of travel to monorail
3) the economics of construction and operation of monorail
4) the environmental benefits of monorail and
5) the most desirable schedule of times and frequencies for the 100 m.p.h. plus monorail.

The study will also consider the feasibility of extending such a system to include Hartford on one end and Logan Airport on the other.

Boston Fish Pier – During fiscal 1972, Massport acquired the remaining portion of a long term lease held by a private company on the Boston Fish Pier in an effort to create an opportunity for long term development of Boston's fresh fish industry.

Several factors, however, dictated that a revitalization of one of Boston's oldest industries will be a lengthy and complex undertaking and will require the efforts and cooperation of the federal government as well as Massport's. Protection and preservation of offshore fishing grounds, construction of more modern and efficient vessels, attraction of young men into the industry and more intensive marketing efforts are but a few of the factors that are at least as important as the construction of new facilities by Massport. Massport has carried on aggressive campaigns in this state and in Washington, to create an awareness of the multitude of problems that cannot be resolved solely by the MPA. Simultaneously, staff studies and negotiations are being conducted with Fish Pier tenants which it is hoped will lead to major physical improvements at the antiquated Fish Pier and in adjacent areas.

Leverett Circle Bridge – After major expenditures of $260,000 on a wide variety of studies and designs and an expression of willingness by Massport to underwrite a large percentage of the cost of construction of this toll free artery, the Metropolitan District Commission rejected all MPA proposals which would have relieved the growing Central Artery congestion. At the close of the fiscal year, no plans had been adopted.

Comparative Fiscal Highlights 1971-1972

Revenues

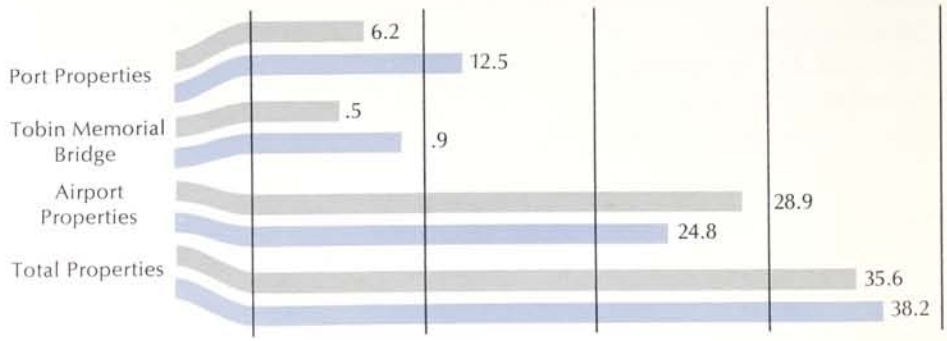
(in millions)

Current Expenses

(in millions)

Capital Expenses

(in millions)



1971 1972

Balance Sheet

	June 30, 1972	June 30, 1971
	(In Thousands)	
Assets		
Cash	**$ 632**	$ 1,293
U.S. Government obligations at amortized cost and cash for debt service	**22,277**	12,850
Investments in U.S. Government obligations and certificates of deposit at amortized cost, which approximate market	**63,937**	12,203
Accounts receivable	**3,310**	2,054
Accrued interest receivable	**974**	302
Prepayments and other assets	**510**	583
	91,640	29,285
Investments in facilities (Note A):		
Facilities completed:		
Airports	**175,815**	135,874
Bridge	**25,751**	25,349
Port	**27,534**	7,339
Construction in progress	**42,670**	64,834
	271,770	233,396
	$363,410	$262,681
Liabilities		
Accounts payable and accrued expenses	**1,282**	1,148
Retainage on contract payments	**2,394**	3,222
Deferred income	**170**	167
Accrued interest payable	**6,859**	3,368
Notes payable (Note B)	**21,700**	14,300
Funded debt (Note C)	**217,075**	141,655
	249,480	163,860
Funds		
Operating funds	**5,932**	4,129
Improvement and maintenance funds	**47,167**	47,156
Interest and sinking fund	**15,973**	11,156
Construction and other capital funds	**44,858**	36,380
	113,930	98,821
	$363,410	$262,681

The accompanying notes are an integral part of the financial statements.

Statement of Sources and Uses of Funds

	Operating Funds	Improvement and Maintenance Funds	Interest and Sinking Fund	Construction and Other Capital Funds	Total
			(In Thousands)		
Fund balances as of July 1, 1971 were	$4,129	$47,156	$11,156	$36,380	$ 98,821
Funds were provided from					
Revenues	1,810	3,869	13,521	94	19,294
Investment of unexpended construction funds				1,913	1,913
Federal Aviation Agency grants in aid of construction		929			929
Funds were transferred from Port properties fund to provide for debt service			96	(96)	
Funds were transferred from improvement and extension fund – regular to provide for construction		(3,987)		3,987	
Revenue and refunding bonds were purchased from revenues and retired:					
$1,510,000, 3.80% term bonds due 7/1/2004 purchased for $1,221,000			(1,221)	1,510	289
$1,070,000, 3.40% serial bonds due 7/1/71			(1,070)	1,070	
Funds were used for					
Interest on funded debt:					
Total interest paid and accrued was $9,749,000, of this amount $3,240,000 represents interest capitalized on projects under construction			(6,509)		(6,509)
Cost of major maintenance and repairs of properties		(800)			(800)
Cost of research studies	(7)				(7)
Fund balances as of June 30, 1972 are	$5,932	$47,167	$15,973	$44,858	$113,930

The accompanying notes are an integral part of the financial statements.

Statement of Sources and Uses of Revenues and Other Income

	Bridge	Airport Properties	*Port Properties	Total
		(In Thousands)		
Revenue of the Authority's facilities came from				
Tolls, fees and sales of services	$5,422	$ 5,962	$1,662	$13,046
Rentals	42	7,180	1,324	8,546
Concessions	—	7,988	—	7,988
Other	—	396	—	396
	$5,464	$21,526	$2,986	29,976
In addition the Authority earned income on the investment of funds held for debt service, facility improvement and operations				1,699
				31,675
Total revenue and investment income were used				
To pay current expenses:				
Operations	645	4,201	1,477	6,323
Maintenance	355	1,883	156	2,394
Administration	242	2,011	994	3,247
Insurance	76	267	74	417
	$1,318	$ 8,362	$2,701	12,381
To provide for				
Interest on revenue and refunding bonds				5,503
Major maintenance and repairs of properties and operating equipment acquisitions				790
				18,674
Balance of revenues				13,001
To provide for				
Required retirement of bonds			$1,750	
Additional retirement of bonds			767	
Other debt service requirements			5,501	
Total debt service, excluding interest			8,018	
Improvement and extension of facilities			3,079	
Payment to Port properties fund (Note D)			94	11,191
Excess of revenues and investment income over revenues used, added to operating funds				$ 1,810

The accompanying notes are an integral part of the financial statements.

*None of the revenues from Port properties is available for debt service other than interest and principal requirements for all bonds issued for paying the cost of improvements to Port properties. Under the Enabling Act the revenues from Port properties, after certain deductions as defined therein, are to be paid to the Commonwealth of Massachusetts (Note D).

The amount to be paid to the Commonwealth is determined annually on July 20th based on cash revenues and cash expenditures of the Port properties for the preceding fiscal year, less any accumulated deficit from prior years. For the fiscal year ended June 30, 1972 there is no payment due to the Commonwealth as shown by the following computation:

		(In Thousands)
Cash Revenues		
Fees and rentals		$2,527
Income from investments		3
		2,530
Cash Expenditures		
Current expenses	$2,595	
Cost of renewals, replacements and equipment	549	
Debt service	633	3,777
Deficit for fiscal year ended June 30, 1972 (Note D)		(1,247)
Prior years' deficit (Note D)		(2,636)
Total Port Properties deficit		($3,883)

The accompanying notes are an integral part of the financial statements.

Auditor's Opinion

Lybrand, Ross Bros. & Montgomery
Certified Public Accountants

Massachusetts Port Authority
Boston, Massachusetts

We have examined the balance sheet of Massachusetts Port Authority as at June 30, 1972 and the related statement of sources and uses of funds and statement of sources and uses of revenues and other income for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported on the financial statements for the preceding year.

In our opinion, said statements present fairly the financial position of Massachusetts Port Authority as at June 30, 1972 and 1971, and the results of its operations for the year ended June 30, 1972, in conformity with the accounting principles described in Note A of notes to financial statements, on a basis consistent with that of the preceding year.

Boston, Massachusetts
September 8, 1972

Lybrand, Ross Bros. & Montgomery

Notes to Financial Statements

A– Accounting principles:
The Massachusetts Port Authority is a public instrumentality created by an Act of the Legislature of the Commonwealth of Massachusetts, effective June 21, 1956. The Authority has no stockholders or equity-holders. The provisions of the Enabling Act and the Trust Agreement, as amended and supplemented, with the Authority's bondholders govern the disposition of revenues and prescribe certain accounting practices for the Authority:

Investments in facilities include construction or acquisition costs, financing costs incurred in connection with the issue and refunding of bonds and interest paid from bond proceeds. Grants for construction from U.S. Government agency and others and interest earned on unexpended construction funds are credited to construction and other capital fund principal.

At June 30, 1972, $899,000 is included in investments in facilities for payments made to the Commonwealth for completed Port facilities acquired February 17, 1959 (refer to Note D – contingent liabilities and commitments).

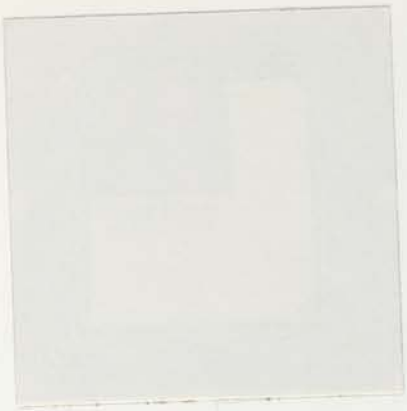
No allowance is made for depreciation of facilities. Annual appropriations from revenues are required for debt service, extraordinary maintenance or repairs, renewals and replacements, and improving, extending and enlarging of facilities. The cost of such items is charged against funds provided from such appropriations.

B – Notes payable:
In April 1972, the Authority issued notes payable aggregating $21,700,000 which mature in March 1974. Interest rates on such notes range from 3.94% to 4.02% per annum.

The notes are secured by assignment of all rights, title and interest in and to the improvement and maintenance funds, except as prior rights may exist under the Trust Agreement dated July 1, 1964, as amended and supplemented.

C – Funded debt:
Funded debt at June 30, 1972 and 1971 is comprised of:

	1972	1971
	(In Thousands)	
Revenue refunding and improvement bonds:		
Serial bonds:		
3.40%, 1972-1976	$ 5,930	$ 7,000
3.50%, 1977-1982	8,610	8,610
3.60%, 1983-1989	12,565	12,565
Term bonds:		
3.80%, 7/1/2004	49,970	51,480
	77,075	79,655
Revenue bonds, series 1969-A:		
Serial bonds:		
4.75%, 1972	330	330
4.85%, 1973	340	340
4.95%, 1974	360	360
5.05%, 1975	375	375
5.15%, 1976	395	395
5.20%, 1977	405	405
5.25%, 1978	425	425
5.30%, 1979	445	445
Term bonds:		
5.875%, 7/1/2008	58,925	58,925
	62,000	62,000



Revenue bonds, series 1971:	1972	1971
	(In Thousands)	
Serial bonds:		
6%, 1975-1981	3,315	—
5%, 1982	595	—
5.10%, 1983	620	—
5.20%, 1984	655	—
5.30%, 1985	685	—
5.40%, 1986	745	—
5.50%, 1987	775	—
5.60%, 1988	810	—
5.65%, 1989	850	—
5.70%, 1990	950	—
5.75%, 1991	995	—
5.80%, 1992	1,060	—
5.85%, 1993	1,125	—
5.90%, 1994-1998	6,670	—
Term bonds:		
6%, 7/1/2011	58,150	—
	78,000	—
	$217,075	$141,655

D – Contingent liabilities and commitments:

Payments to the Commonwealth of Massachusetts for Port facilities:

In consideration for the Port properties acquired from the Commonwealth of Massachusetts on February 17, 1959, the Authority is required by the Enabling Act to pay annually to the Commonwealth an amount contingent upon cash revenues from the Port properties for the preceding fiscal year exceeding certain related cash expenditures. Such payments are to continue until the Authority has paid to the Commonwealth an amount as defined in the Enabling Act. At June 30, 1972, the sum so payable to the Commonwealth, not reflected in the accompanying financial statements, aggregated $17,513,000.

Cash expenditures exceeded related revenues by $1,247,000 in fiscal 1972, which amount has been added to prior years' cash deficiencies of $2,636,000; accordingly, no payment is due with respect to the current fiscal year. The cumulative cash deficit of $3,883,000 is to be applied against future Port property net revenues before payments in future years.

Reimbursements to the Commonwealth under State Retirement System:

The employees of the Authority were required, under the Enabling Act, to become members of the state retirement system and the Authority will be required to reimburse the Commonwealth for a proportionate share of any amounts expended by the Commonweatlh on account of the Authority's employees. The liability of the Authority, under this provision, is not determinable prior to the dates on which the respective employees retire and no provision therefor is included in the accompanying financial statements.

Contractual obligations for construction:

Contractual obligations for construction were approximately $52,879,000 at June 30, 1972.

Executive Staff

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Assistant to the Executive Director

John F. Halloran
Director of Public Relations

Thomas H. Kuhn
Director of Engineering

Neil L. Lynch
Chief Legal Counsel

Paul F. May
Director of Development

Richard E. Mooney
Director of Aviation

George A. O'Brien, Jr.
Comptroller

Kenneth C. Pearson
Manager, Tobin Memorial Bridge

Gordon D. Riedell
Director of Personnel

Thomas T. Soules
Port Director

Massport Trade Promotion Offices

CHICAGO
Henry L. Noga
Manager

NEW YORK
Francis J. Higgins
Manager

WASHINGTON
Richard T. Fleming
Manager

BRUSSELS
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Director-General Europe/Africa

TOKYO
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